

AMENDED IN ASSEMBLY JUNE 21, 2005

AMENDED IN SENATE MAY 31, 2005

AMENDED IN SENATE APRIL 11, 2005

SENATE BILL

No. 485

Introduced by Senator Migden

February 18, 2005

~~An act relating to career technical education. An act to amend Sections 97.2 and 97.3 of the Revenue and Taxation Code, relating to local government finance.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 485, as amended, Migden. ~~School district reporting. Local government finance.~~

Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. Existing property tax law also reduces the amounts of ad valorem property tax revenue that would otherwise be annually allocated to the county, cities, and special districts pursuant to these general allocation requirements by requiring, for purposes of determining property tax revenue allocations in each county for the 1992-93 and 1993-94 fiscal years, that the amounts of property tax revenue deemed allocated in the prior fiscal year to the county, cities, and special districts be reduced in accordance with certain formulas. It requires that the revenues not allocated to the county, cities, and special districts as a

result of these reductions be transferred to the Educational Revenue Augmentation Fund in that county for allocation to school districts, community college districts, and the county office of education.

If any excess revenues remain in a county ERAF after allocations are made to these school entities, existing law requires the county auditor to allocate these excess moneys to county superintendents of schools for special education programs. Existing law specifies that these allocations are to be counted as augmentations to property tax revenues for special education programs to the extent that these revenues offset state aid otherwise received pursuant to a specified statute. Existing law requires that, if any excess revenues remain in county ERAFs after these allocations are made for special education programs, these excess revenues be allocated among the county and cities and special districts in the county in proportion to their contribution to the county ERAF. Existing law provides that these allocations of excess ERAF moneys to counties, cities, and special districts are not included in property tax allocations made for future fiscal years, as specified.

This bill would specify that these allocations made to county superintendents of schools for special education programs do not offset state aid made pursuant to other specified statutes. This bill would state legislative findings that this provision is a clarification of existing law. This bill would also require, for the 2005-06 fiscal year in the County of Marin, that any additional excess ERAF funds that remain as a result of this provision be allocated among that county and cities and special districts in the county in proportion to their contribution to the county ERAF, and would also require the Controller to determine these allocations, as specified. This bill would also require that these allocations be incorporated into property tax allocations made for future fiscal years. This bill would also require for each qualified fiscal year, as defined, that an amount equal to 50% of the revenues allocated to the County of Marin for the 2005-06 fiscal year under these provisions, as specified, be used by the county for housing for persons and families of low and moderate income.

By imposing new obligations with respect to annual property tax revenue allocations in the County of Marin, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.

Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

~~Existing law requires school districts to adopt a course of study for grades 7 to 12, inclusive, that includes, among other things, career technical education.~~

~~This bill would require a school district offering grades 9 to 12, inclusive, to file a written report with the Legislature by January 1, 2007, as to whether the district discontinued any career technical education courses or closed any career technical education facilities during the 2002-03 or 2003-04 school years, thereby creating a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 97.2 of the Revenue and Taxation Code
- 2 is amended to read:
- 3 97.2. Notwithstanding any other provision of this chapter, the
- 4 computations and allocations made by each county pursuant to
- 5 Section 96.1 or its predecessor section shall be modified for the
- 6 1992-93 fiscal year pursuant to subdivisions (a) to (d), inclusive,
- 7 and for the 1997-98 and 1998-99 fiscal years pursuant to
- 8 subdivision (e), as follows:
- 9 (a) (1) Except as provided in paragraph (2), the amount of
- 10 property tax revenue deemed allocated in the prior fiscal year to

each county shall be reduced by the dollar amounts indicated as follows, multiplied by 0.953649:

	Property Tax Reduction per County
Alameda.....	\$ 27,323,576
Alpine.....	5,169
Amador.....	286,131
Butte.....	846,452
Calaveras.....	507,526
Colusa.....	186,438
Contra Costa.....	12,504,318
Del Norte.....	46,523
El Dorado.....	1,544,590
Fresno.....	5,387,570
Glenn.....	378,055
Humboldt.....	1,084,968
Imperial.....	998,222
Inyo.....	366,402
Kern.....	6,907,282
Kings.....	1,303,774
Lake.....	998,222
Lassen.....	93,045
Los Angeles.....	244,178,806
Madera.....	809,194
Marin.....	3,902,258
Mariposa.....	40,136
Mendocino.....	1,004,112
Merced.....	2,445,709
Modoc.....	134,650
Mono.....	319,793
Monterey.....	2,519,507
Napa.....	1,362,036
Nevada.....	762,585
Orange.....	9,900,654
Placer.....	1,991,265
Plumas.....	71,076
Riverside.....	7,575,353
Sacramento.....	15,323,634

1	San Benito.....	198,090
2	San Bernardino.....	14,467,099
3	San Diego.....	17,687,776
4	San Francisco.....	53,266,991
5	San Joaquin.....	8,574,869
6	San Luis Obispo.....	2,547,990
7	San Mateo.....	7,979,302
8	Santa Barbara.....	4,411,812
9	Santa Clara.....	20,103,706
10	Santa Cruz.....	1,416,413
11	Shasta.....	1,096,468
12	Sierra.....	97,103
13	Siskiyou.....	467,390
14	Solano.....	5,378,048
15	Sonoma.....	5,455,911
16	Stanislaus.....	2,242,129
17	Sutter.....	831,204
18	Tehama.....	450,559
19	Trinity.....	50,399
20	Tulare.....	4,228,525
21	Tuolumne.....	740,574
22	Ventura.....	9,412,547
23	Yolo.....	1,860,499
24	Yuba.....	842,857

25
26 (2) Notwithstanding paragraph (1), the amount of the
27 reduction specified in that paragraph for any county or city and
28 county that has been materially and substantially impacted as a
29 result of a federally declared disaster, as evidenced by at least 20
30 percent of the cities, or cities and unincorporated areas of the
31 county representing 20 percent of the population within the
32 county suffering substantial damage, as certified by the Director
33 of the Office of Emergency Services, occurring between October
34 1, 1989, and the effective date of this section, shall be reduced by
35 that portion of five million dollars (\$5,000,000) determined for
36 that county or city and county pursuant to subparagraph (B) of
37 paragraph (3).

38 (3) On or before October 1, 1992, the Director of Finance shall
39 do all of the following:

1 (A) Determine the population of each county and city and
2 county in which a federally declared disaster has occurred
3 between October 1, 1989, and the effective date of this section.

4 (B) Determine for each county and city and county as
5 described in subparagraph (A) its share of five million dollars
6 (\$5,000,000) on the basis of that county's population relative to
7 the total population of all counties described in subparagraph
8 (A).

9 (C) Notify each auditor of each county and city and county of
10 the amounts determined pursuant to subparagraph (B).

11 (b) (1) Except as provided in paragraph (2), the amount of
12 property tax revenue deemed allocated in the prior fiscal year to
13 each city, except for a newly incorporated city that did not
14 receive property tax revenues in the 1991-92 fiscal year, shall be
15 reduced by 9 percent. In making the above computation with
16 respect to cities in Alameda County, the computation for a city
17 described in paragraph (6) of subdivision (a) of Section 100.7, as
18 added by Section 73.5 of Chapter 323 of the Statutes of 1983,
19 shall be adjusted so that the amount multiplied by 9 percent is
20 reduced by the amount determined for that city for "museums"
21 pursuant to paragraph (2) of subdivision (h) of Section 95.

22 (2) Notwithstanding paragraph (1), the amount of the
23 reduction determined pursuant to that paragraph for any city that
24 has been materially and substantially impacted as a result of a
25 federally declared disaster, as certified by the Director of the
26 Office of Emergency Services, occurring between October 1,
27 1989, and the effective date of this section, shall be reduced by
28 that portion of fifteen million dollars (\$15,000,000) determined
29 for that city pursuant to subparagraph (B) of paragraph (3).

30 (3) On or before October 1, 1992, the Director of Finance shall
31 do all of the following:

32 (A) Determine the population of each city in which a federally
33 declared disaster has occurred between October 1, 1989, and the
34 effective date of this section.

35 (B) Determine for each city as described in subparagraph (A)
36 its share of fifteen million dollars (\$15,000,000) on the basis of
37 that city's population relative to the total population of all cities
38 described in subparagraph (A).

39 (C) Notify each auditor of each county and city and county of
40 the amounts determined pursuant to subparagraph (B).

1 (4) In the 1992-93 fiscal year and each fiscal year thereafter,
2 the auditor shall adjust the computations required pursuant to
3 Article 4 (commencing with Section 98) so that those
4 computations do not result in the restoration of any reduction
5 required pursuant to this section.

6 (c) (1) Subject to paragraph (2), the amount of property tax
7 revenue, other than those revenues that are pledged to debt
8 service, deemed allocated in the prior fiscal year to a special
9 district, other than a multicounty district, a local hospital district,
10 or a district governed by a city council or whose governing board
11 has the same membership as a city council, shall be reduced by
12 35 percent. For purposes of this subdivision, “revenues that are
13 pledged to debt service” include only those amounts required to
14 pay debt service costs in the 1991-92 fiscal year on debt
15 instruments issued by a special district for the acquisition of
16 capital assets.

17 (2) No reduction pursuant to paragraph (1) for any special
18 district, other than a countywide water agency that does not sell
19 water at retail, shall exceed an amount equal to 10 percent of that
20 district’s total annual revenues, from whatever source, as shown
21 in the 1989-90 edition of the State Controller’s Report on
22 Financial Transactions Concerning Special Districts (not
23 including any annual revenues from fiscal years following the
24 1989-90 fiscal year). With respect to any special district, as
25 defined pursuant subdivision (m) of Section 95, that is allocated
26 property tax revenue pursuant to this chapter but does not appear
27 in the State Controller’s Report on Financial Transactions
28 Concerning Special Districts, the auditor shall determine the total
29 annual revenues for that special district from the information in
30 the 1989-90 edition of the State Controller’s Report on Financial
31 Transactions Concerning Counties. With respect to a special
32 district that did not exist in the 1989-90 fiscal year, the auditor
33 may use information from the first full fiscal year, as appropriate,
34 to determine the total annual revenues for that special district. No
35 reduction pursuant to paragraph (1) for any countywide water
36 agency that does not sell water at retail shall exceed an amount
37 equal to 10 percent of that portion of that agency’s general fund
38 derived from property tax revenues.

39 (3) The auditor in each county shall, on or before January 15,
40 1993, and on or before January 30 of each year thereafter, submit

1 information to the Controller concerning the amount of the
2 property tax revenue reduction to each special district within that
3 county as a result of paragraphs (1) and (2). The Controller shall
4 certify that the calculation of the property tax revenue reduction
5 to each special district within that county is accurate and correct,
6 and submit this information to the Director of Finance.

7 (A) The Director of Finance shall determine whether the total
8 of the amounts of the property tax revenue reductions to special
9 districts, as certified by the Controller, is equal to the amount that
10 would be required to be allocated to school districts and
11 community college districts as a result of a three hundred
12 seventy-five million dollar (\$375,000,000) shift of property tax
13 revenues from special districts for the 1992-93 fiscal year. If, for
14 any year, the total of the amount of the property tax revenue
15 reductions to special districts is less than the amount as described
16 in the preceding sentence, the amount of property tax revenue,
17 other than those revenues that are pledged to debt service,
18 deemed allocated in the prior fiscal year to a special district,
19 other than a multicounty district, a local hospital district, or a
20 district governed by a city council or whose governing board has
21 the same membership as a city council, shall, subject to
22 subparagraph (B), be reduced by an amount up to 5 percent of the
23 amount subject to reduction for that district pursuant to
24 paragraphs (1) and (2).

25 (B) No reduction pursuant to subparagraph (A), in conjunction
26 with a reduction pursuant to paragraphs (1) and (2), for any
27 special district, other than a countywide water agency that does
28 not sell water at retail, shall exceed an amount equal to 10
29 percent of that district's total annual revenues, from whatever
30 source, as shown in the most recent State Controller's Report on
31 Financial Transactions Concerning Special Districts. No
32 reduction pursuant to subparagraph (A), in conjunction with a
33 reduction pursuant to paragraphs (1) and (2), for any countywide
34 water agency that does not sell water at retail shall exceed an
35 amount equal to 10 percent of that portion of that agency's
36 general fund derived from property tax revenues.

37 (C) In no event shall the amount of the property tax revenue
38 loss to a special district derived pursuant to subparagraphs (A)
39 and (B) exceed 40 percent of that district's property tax revenues

1 or 10 percent of that district's total revenues, from whatever
2 source.

3 (4) For the purpose of determining the total annual revenues of
4 a special district that provides fire protection or fire suppression
5 services, all of the following shall be excluded from the
6 determination of total annual revenues:

7 (A) If the district had less than two million dollars
8 (\$2,000,000) in total annual revenues in the 1991-92 fiscal year,
9 the revenue generated by a fire suppression assessment levied
10 pursuant to Article 3.6 (commencing with Section 50078) of
11 Chapter 1 of Part 1 of Division 1 of Title 5 of the Government
12 Code.

13 (B) The total amount of all funds, regardless of the source, that
14 are appropriated to a district, including a fire department, by a
15 board of supervisors pursuant to Section 25642 of the
16 Government Code or Chapter 7 (commencing with Section
17 13890) of Part 2.7 of Division 12 of the Health and Safety Code
18 for fire protection. The amendment of this subparagraph by
19 Chapter 290 of the Statutes of 1997 shall not be construed to
20 affect any exclusion from the total annual revenues of a special
21 district that was authorized by this subparagraph as it read prior
22 to that amendment.

23 (C) The revenue received by a district as a result of contracts
24 entered into pursuant to Section 4133 of the Public Resources
25 Code.

26 (5) For the purpose of determining the total annual revenues of
27 a resource conservation district, all of the following shall be
28 excluded from the determination of total annual revenues:

29 (A) Any revenues received by that district from the state for
30 financing the acquisition of land, or the construction or
31 improvement of state projects, and for which that district serves
32 as the fiscal agent in administering those state funds pursuant to
33 an agreement entered into between that district and a state
34 agency.

35 (B) Any amount received by that district as a private gift or
36 donation.

37 (C) Any amount received as a county grant or contract as
38 supplemental to, or independent of, that district's property tax
39 share.

1 (D) Any amount received by that district as a federal or state
2 grant.

3 (d) (1) The amount of property tax revenues not allocated to
4 the county, cities within the county, and special districts as a
5 result of the reductions calculated pursuant to subdivisions (a),
6 (b), and (c) shall instead be deposited in the Educational Revenue
7 Augmentation Fund to be established in each county. The
8 amount of revenue in the Educational Revenue Augmentation
9 Fund, derived from whatever source, shall be allocated pursuant
10 to paragraphs (2) and (3) to school districts and county offices of
11 education, in total, and to community college districts, in total, in
12 the same proportion that property tax revenues were distributed
13 to school districts and county offices of education, in total, and
14 community college districts, in total, during the 1991-92 fiscal
15 year.

16 (2) The auditor shall, based on information provided by the
17 county superintendent of schools pursuant to this paragraph,
18 allocate the proportion of the Educational Revenue
19 Augmentation Fund to those school districts and county offices
20 of education within the county that are not excess tax school
21 entities, as defined in subdivision (n) of Section 95. The county
22 superintendent of schools shall determine the amount to be
23 allocated to each school district and county office of education in
24 inverse proportion to the amounts of property tax revenue per
25 average daily attendance in each school district and county office
26 of education. In no event shall any additional money be allocated
27 from the fund to a school district or county office of education
28 upon that school district or county office of education becoming
29 an excess tax school entity.

30 (3) The auditor shall, based on information provided by the
31 Chancellor of the California Community Colleges pursuant to
32 this paragraph, allocate the proportion of the Educational
33 Revenue Augmentation Fund to those community college
34 districts within the county that are not excess tax school entities,
35 as defined in subdivision (n) of Section 95. The chancellor shall
36 determine the amount to be allocated to each community college
37 district in inverse proportion to the amounts of property tax
38 revenue per funded full-time equivalent student in each
39 community college district. In no event shall any additional

money be allocated from the fund to a community college district upon that district becoming an excess tax school entity.

(4) (A) If, after making the allocation required pursuant to paragraph (2), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate those excess funds pursuant to paragraph (3). If, after making the allocation pursuant to paragraph (3), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate those excess funds pursuant to paragraph (2).

(B) (i) For the 1995-96 fiscal year and each fiscal year thereafter, if, after making the allocations pursuant to paragraphs (2) and (3) and subparagraph (A), the auditor determines that there are still additional funds to be allocated, the auditor shall, subject to clauses (ii) and (iii), allocate those excess funds to the county superintendent of schools. Funds allocated pursuant to this clause shall be counted as property tax revenues for special education programs in augmentation of the amount calculated pursuant to Section 2572 of the Education Code, to the extent that those property tax revenues offset state aid for county offices of education and school districts within the county pursuant to subdivision (c) of Section 56836.08 of the Education Code, *but not including state aid made pursuant to Sections 56836.16 to 56836.18, inclusive, of the Education Code*. If, for the 2000-01 fiscal year or any fiscal year thereafter, any additional revenues remain after the implementation of this clause, the auditor shall allocate those remaining revenues among the county, cities, and special districts in proportion to the amounts of ad valorem property tax revenue otherwise required to be shifted from those local agencies to the county's Educational Revenue Augmentation Fund for the relevant fiscal year.

(ii) For the 1995-96 fiscal year only, clause (i) shall have no application to the County of Mono and the amount allocated pursuant to clause (i) in the County of Marin shall not exceed five million dollars (\$5,000,000).

(iii) For the 1996-97 fiscal year only, the total amount of funds allocated by the auditor pursuant to clause (i) and clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.3 shall not exceed that portion of two million five hundred thousand dollars (\$2,500,000) that corresponds to the county's proportionate share of all moneys allocated pursuant to clause (i)

1 and clause (i) of subparagraph (B) of paragraph (4) of
2 subdivision (d) Section 97.3 for the 1995-96 fiscal year. Upon
3 the request of the auditor, the Department of Finance shall
4 provide to the auditor all information in the department's
5 possession that is necessary for the auditor to comply with this
6 clause.

7 (iv) Notwithstanding clause (i) of this subparagraph, for the
8 1999-2000 fiscal year only, if, after making the allocations
9 pursuant to paragraphs (2) and (3) and subparagraph (A), the
10 auditor determines that there are still additional funds to be
11 allocated, the auditor shall allocate the funds to the county, cities,
12 and special districts in proportion to the amounts of ad valorem
13 property tax revenue otherwise required to be shifted from those
14 local agencies to the county's Educational Revenue
15 Augmentation Fund for the relevant fiscal year. The amount
16 allocated pursuant to this clause shall not exceed eight million
17 two hundred thirty-nine thousand dollars (\$8,239,000), as
18 appropriated in Item 6110-250-0001 of Section 2.00 of the
19 Budget Act of 1999 (Chapter 50, Statutes of 1999). This clause
20 shall be operative for the 1999-2000 fiscal year only to the extent
21 that moneys are appropriated for purposes of this clause in the
22 Budget Act of 1999 by an appropriation that specifically
23 references this clause.

24 (C) For purposes of allocating the Educational Revenue
25 Augmentation Fund for the 1996-97 fiscal year, the auditor shall,
26 after making the allocations for special education programs, if
27 any, required by subparagraph (B), allocate all remaining funds
28 among the county, cities, and special districts in proportion to the
29 amounts of ad valorem property tax revenue otherwise required
30 to be shifted from those local agencies to the county's
31 Educational Revenue Augmentation Fund for the relevant fiscal
32 year. For purposes of ad valorem property tax revenue
33 allocations for the 1997-98 fiscal year and each fiscal year
34 thereafter, no amount of ad valorem property tax revenue
35 allocated to the county, a city, or a special district pursuant to this
36 subparagraph shall be deemed to be an amount of ad valorem
37 property tax revenue allocated to that local agency in the prior
38 fiscal year.

39 (5) For purposes of allocations made pursuant to Section 96.1
40 or its predecessor section for the 1993-94 fiscal year, the amounts

allocated from the Educational Revenue Augmentation Fund pursuant to this subdivision, other than amounts deposited in the Educational Revenue Augmentation Fund pursuant to Section 33681 of the Health and Safety Code, shall be deemed property tax revenue allocated to the Educational Revenue Augmentation Fund in the prior fiscal year.

(e) (1) For the 1997-98 fiscal year:

(A) The amount of property tax revenue deemed allocated in the prior fiscal year to any city subject to the reduction specified in paragraph (2) of subdivision (b) shall be reduced by an amount that is equal to the difference between the amount determined for the city pursuant to paragraph (1) of subdivision (b) and the amount of the reduction determined for the city pursuant to paragraph (2) of subdivision (b).

(B) The amount of property tax revenue deemed allocated in the prior fiscal year to any county or city and county subject to the reduction specified in paragraph (2) of subdivision (a) shall be reduced by an amount that is equal to the difference between the amount specified for the county or city and county pursuant to paragraph (1) of subdivision (a) and the amount of the reduction determined for the county or city and county pursuant to paragraph (2) of subdivision (a).

(2) The amount of property tax revenues not allocated to a city or city and county as a result of this subdivision shall be deposited in the Educational Revenue Augmentation Fund described in subparagraph (A) of paragraph (1) of subdivision (d).

(3) For purposes of allocations made pursuant to Section 96.1 for the 1998-99 fiscal year, the amounts allocated from the Educational Revenue Augmentation Fund pursuant to this subdivision shall be deemed property tax revenues allocated to the Educational Revenue Augmentation Fund in the prior fiscal year.

(f) It is the intent of the Legislature in enacting this section that this section supersede and be operative in place of Section 97.03 of the Revenue and Taxation Code, as added by Senate Bill 617 of the 1991-92 Regular Session.

SEC. 2. Section 97.3 of the Revenue and Taxation Code is amended to read:

1 97.3. Notwithstanding any other provision of this chapter, the
2 computations and allocations made by each county pursuant to
3 Section 96.1 or its predecessor section, as modified by Section
4 97.2 or its predecessor section for the 1992–93 fiscal year, shall
5 be modified for the 1993–94 fiscal year pursuant to subdivisions
6 (a) to (c), inclusive, as follows:

7 (a) The amount of property tax revenue deemed allocated in
8 the prior fiscal year to each county and city and county shall be
9 reduced by an amount to be determined by the Director of
10 Finance in accordance with the following:

11 (1) The total amount of the property tax reductions for
12 counties and cities and counties determined pursuant to this
13 section shall be one billion nine hundred ninety-eight million
14 dollars (\$1,998,000,000) in the 1993–94 fiscal year.

15 (2) The Director of Finance shall determine the amount of the
16 reduction for each county or city and county as follows:

17 (A) The proportionate share of the property tax revenue
18 reduction for each county or city and county that would have
19 been imposed on all counties under the proposal specified in the
20 “May Revision of the 1993–94 Governor’s Budget” shall be
21 determined by reference to the document entitled “Estimated
22 County Property Tax Transfers Under Governor’s May Revision
23 Proposal,” published by the Legislative Analyst’s Office on June
24 1, 1993.

25 (B) Each county’s or city and county’s proportionate share of
26 total taxable sales in all counties in the 1991–92 fiscal year shall
27 be determined.

28 (C) An amount for each county and city and county shall be
29 determined by applying its proportionate share determined
30 pursuant to subparagraph (A) to the one billion nine hundred
31 ninety-eight million dollar (\$1,998,000,000) statewide reduction
32 for counties and cities and counties.

33 (D) An amount for each county and city and county shall be
34 determined by applying its proportionate share determined
35 pursuant to subparagraph (B) to the one billion nine hundred
36 ninety-eight million dollar (\$1,998,000,000) statewide reduction
37 for counties and cities and counties.

38 (E) The Director of Finance shall add the amounts determined
39 pursuant to subparagraphs (C) and (D) for each county and city
40 and county, and divide the resulting figure by two. The amount

so determined for each county and city and county shall be divided by a factor of 1.038. The resulting figure shall be the amount of property tax revenue to be subtracted from the amount of property tax revenue deemed allocated in the prior fiscal year.

(3) The Director of Finance shall, by July 15, 1993, report to the Joint Legislative Budget Committee its determination of the amounts determined pursuant to paragraph (2).

(4) On or before August 15, 1993, the Director of Finance shall notify the auditor of each county and city and county of the amount of property tax revenue reduction determined for each county and city and county.

(5) Notwithstanding any other provision of this subdivision, the amount of the reduction specified in paragraph (2) for any county or city and county that has first implemented, for the 1993–94 fiscal year, the alternative procedure for the distribution of property tax levies authorized by Chapter 3 (commencing with Section 4701) of Part 8 shall be reduced, for the 1993–94 fiscal year only, in the amount of any increased revenue allocated to each qualifying school entity that would not have been allocated for the 1993–94 fiscal year but for the implementation of that alternative procedure. For purposes of this paragraph, “qualifying school entity” means any school district, county office of education, or community college district that is not an excess tax school entity as defined in Section 95, and a county’s Educational Revenue Augmentation Fund as described in subdivision (d) of this section and subdivision (d) of Section 97.2. Notwithstanding any other provision of this paragraph, the amount of any reduction calculated pursuant to this paragraph for any county or city and county shall not exceed the reduction calculated for that county or city and county pursuant to paragraph (2).

(6) Notwithstanding the provisions of paragraph (5), the amount of the reduction specified in paragraph (2) for a county of the 16th class that has first implemented, for the 1993–94 fiscal year, the alternative procedure for the distribution of property tax levies authorized by Chapter 2 (commencing with Section 4701) of Part 8 shall be reduced, for the 1993–94 fiscal year only, in the amount of any increased revenue distributed to each qualifying school entity that would not have been distributed for the 1993–94 fiscal year, pursuant to the historical accounting method

1 of that county of the 16th class, but for the implementation of
2 that alternative procedure. For purposes of this paragraph,
3 “qualifying school entity” means any school district, county
4 office of education, or community college district that is not an
5 excess tax school entity as defined in Section 95, and a county’s
6 Educational Revenue Augmentation Fund as described in
7 subdivision (a) of this section and subdivision (d) of Section
8 97.2. Notwithstanding any other provision of this paragraph, the
9 amount of any reduction calculated pursuant to this paragraph for
10 any county shall not exceed the reduction calculated for that
11 county pursuant to paragraph (2).

12 (b) The amount of property tax revenue deemed allocated in
13 the prior fiscal year to each city shall be reduced by an amount to
14 be determined by the Director of Finance in accordance with the
15 following:

16 (1) The total amount of the property tax reductions determined
17 for cities pursuant to this section shall be two hundred
18 eighty-eight million dollars (\$288,000,000) in the 1993–94 fiscal
19 year.

20 (2) The Director of Finance shall determine the amount of
21 reduction for each city as follows:

22 (A) The amount of property tax revenue that is estimated to be
23 attributable in the 1993–94 fiscal year to the amount of each
24 city’s state assistance payment received by that city pursuant to
25 Chapter 282 of the Statutes of 1979 shall be determined.

26 (B) A factor for each city equal to the amount determined
27 pursuant to subparagraph (A) for that city, divided by the total of
28 the amounts determined pursuant to subparagraph (A) for all
29 cities, shall be determined.

30 (C) An amount for each city equal to the factor determined
31 pursuant to subparagraph (B), multiplied by three hundred
32 eighty-two million five hundred thousand dollars (\$382,500,000),
33 shall be determined.

34 (D) In no event shall the amount for any city determined
35 pursuant to subparagraph (C) exceed a per capita amount of
36 nineteen dollars and thirty-one cents (\$19.31), as determined in
37 accordance with that city’s population on January 1, 1993, as
38 estimated by the Department of Finance.

39 (E) The amount determined for each city pursuant to
40 subparagraphs (C) and (D) shall be the amount of property tax

1 revenue to be subtracted from the amount of property tax revenue
2 deemed allocated in the prior year.

3 (3) The Director of Finance shall, by July 15, 1993, report to
4 the Joint Legislative Budget Committee those amounts
5 determined pursuant to paragraph (2).

6 (4) On or before August 15, 1993, the Director of Finance
7 shall notify each county auditor of the amount of property tax
8 revenue reduction determined for each city located within that
9 county.

10 (c) (1) The amount of property tax revenue deemed allocated
11 in the prior fiscal year to each special district, as defined pursuant
12 to subdivision (m) of Section 95, shall be reduced by the amount
13 determined for the district pursuant to paragraph (3) and
14 increased by the amount determined for the district pursuant to
15 paragraph (4). The total net amount of these changes is intended
16 to equal two hundred forty-four million dollars (\$244,000,000) in
17 the 1993–94 fiscal year.

18 (2) (A) Notwithstanding any other provision of this
19 subdivision, no reduction shall be made pursuant to this
20 subdivision with respect to any of the following special districts:

21 (i) A local hospital district as described in Division 23
22 (commencing with Section 32000) of the Health and Safety
23 Code.

24 (ii) A water agency that does not sell water at retail, but not
25 including an agency the primary function of which, as
26 determined on the basis of total revenues, is flood control.

27 (iii) A transit district.

28 (iv) A police protection district formed pursuant to Part 1
29 (commencing with Section 20000) of Division 14 of the Health
30 and Safety Code.

31 (v) A special district that was a multicounty special district as
32 of July 1, 1979.

33 (B) Notwithstanding any other provision of this subdivision,
34 the first one hundred four thousand dollars (\$104,000) of the
35 amount of any reduction that otherwise would be made under this
36 subdivision with respect to a qualifying community services
37 district shall be excluded. For purposes of this subparagraph, a
38 “qualifying community services district” means a community
39 services district that meets all of the following requirements:

1 (i) Was formed pursuant to Division 3 (commencing with
2 Section 61000) of Title 6 of the Government Code.
3 (ii) Succeeded to the duties and properties of a police
4 protection district upon the dissolution of that district.
5 (iii) Currently provides police protection services to
6 substantially the same territory as did that district.
7 (iv) Is located within a county in which the board of
8 supervisors has requested the Department of Finance that this
9 subparagraph be operative in the county.

10 (3) (A) On or before September 15, 1993, the county auditor
11 shall determine an amount for each special district equal to the
12 amount of its allocation determined pursuant to Section 96 or
13 96.1, and Section 96.5 or their predecessor sections for the
14 1993–94 fiscal year multiplied by the ratio determined pursuant
15 to paragraph (1) of subdivision (a) of former Section 98.6 as that
16 section read on June 15, 1993. In those counties that were subject
17 to former Sections 98.66, 98.67, and 98.68, as those sections read
18 on that same date, the county auditor shall determine an amount
19 for each special district that represents the current amount of its
20 allocation determined pursuant to Section 96 or 96.1, and Section
21 96.5 or their predecessor sections for the 1993–94 fiscal year that
22 is attributed to the property tax shift from schools required by
23 Chapter 282 of the Statutes of 1979. In that county subject to
24 Section 100.4, the county auditor shall determine an amount for
25 each special district that represents the current amount of its
26 allocations determined pursuant to Section 96, 96.1, 96.5, or
27 100.4 or their predecessor sections for the 1993–94 fiscal year
28 that is attributable to the property tax shift from schools required
29 by Chapter 282 of the Statutes of 1979. In determining these
30 amounts, the county auditor shall adjust for the influence of
31 increased assessed valuation within each district, including the
32 effect of jurisdictional changes, and the reductions in property
33 tax allocations required in the 1992–93 fiscal year by Chapters
34 699 and 1369 of the Statutes of 1992. In the case of a special
35 district that has been consolidated or reorganized, the auditor
36 shall determine the amount of its current property tax allocation
37 that is attributable to the prior district's or districts' receipt of
38 state assistance payments pursuant to Chapter 282 of the Statutes
39 of 1979. Notwithstanding any other provision of this paragraph,
40 for a special district that is governed by a city council or whose

governing board has the same membership as a city council and that is a subsidiary district as defined in subdivision (e) of Section 16271 of the Government Code, the county auditor shall multiply the amount that otherwise would be calculated pursuant to this paragraph by 0.38 and the result shall be used in the calculations required by paragraph (5). In no event shall the amount determined by this paragraph be less than zero.

(B) Notwithstanding subparagraph (A), commencing with the 1994–95 fiscal year, in the County of Sacramento, the auditor shall determine the amount for each special district that represents the current amount of its allocations determined pursuant to Section 96, 96.1, 96.5, or 100.6 for the 1994–95 fiscal year that is attributed to the property tax shift from schools required by Chapter 282 of the Statutes of 1979.

(4) (A) (i) On or before September 15, 1993, the county auditor shall determine an amount for each special district that is engaged in fire protection activities, as reported to the Controller for inclusion in the 1989–90 edition of the Financial Transactions Report Concerning Special Districts under the heading of “Fire Protection,” that is equal to the amount of revenue allocated to that special district from the Special District Augmentation Fund for fire protection activities in the 1992–93 fiscal year. For purposes of the preceding sentence for counties of the second class, the phrase “amount of revenue allocated to that special district” means an amount of revenue that was identified for transfer to that special district, rather than the amount of revenue that was actually received by that special district pursuant to that transfer.

(ii) In the case of a special district, other than a special district governed by the county board of supervisors or whose governing body is the same as the county board of supervisors, that is engaged in fire protection activities as reported to the Controller, the county auditor shall also determine the amount by which the district’s amount determined pursuant to paragraph (3) exceeds the amount by which its allocation was reduced by operation of former Section 98.6 in the 1992–93 fiscal year. This amount shall be added to the amount otherwise determined for the district under this paragraph. In any county subject to former Section 98.65, 98.66, 98.67, or 98.68 in that same fiscal year, the county auditor shall determine for each special district that is engaged in

1 fire protection activities an amount that is equal to the amount
2 determined for that district pursuant to paragraph (3).

3 (B) For purposes of this paragraph, a special district includes
4 any special district that is allocated property tax revenue pursuant
5 to this chapter and does not appear in the State Controller's
6 Report on Financial Transactions Concerning Special Districts,
7 but is engaged in fire protection activities and appears in the
8 State Controller's Report on Financial Transactions Concerning
9 Counties.

10 (5) The total amount of property taxes allocated to special
11 districts by the county auditor as a result of paragraph (4) shall be
12 subtracted from the amount of property tax revenues not
13 allocated to special districts by the county auditor as a result of
14 paragraph (3) to determine the amount to be deposited in the
15 Education Revenue Augmentation Fund as specified in
16 subdivision (d).

17 (6) On or before September 30, 1993, the county auditor shall
18 notify the Director of Finance of the net amount determined for
19 special districts pursuant to paragraph (5).

20 (d) (1) The amount of property tax revenues not allocated to
21 the county, city and county, cities within the county, and special
22 districts as a result of the reductions required by subdivisions (a),
23 (b), and (c) shall instead be deposited in the Educational Revenue
24 Augmentation Fund established in each county or city and county
25 pursuant to Section 97.2. The amount of revenue in the
26 Educational Revenue Augmentation Fund, derived from
27 whatever source, shall be allocated pursuant to paragraphs (2)
28 and (3) to school districts and county offices of education, in
29 total, and to community college districts, in total, in the same
30 proportion that property tax revenues were distributed to school
31 districts and county offices of education, in total, and community
32 college districts, in total, during the 1992–93 fiscal year.

33 (2) The county auditor shall, based on information provided by
34 the county superintendent of schools pursuant to this paragraph,
35 allocate that proportion of the revenue in the Educational
36 Revenue Augmentation Fund to be allocated to school districts
37 and county offices of education only to those school districts and
38 county offices of education within the county that are not excess
39 tax school entities, as defined in subdivision (n) of Section 95.
40 The county superintendent of schools shall determine the amount

1 to be allocated to each school district in inverse proportion to the
2 amounts of property tax revenue per average daily attendance in
3 each school district. For each county office of education, the
4 allocation shall be made based on the historical split of base
5 property tax revenue between the county office of education and
6 school districts within the county. In no event shall any
7 additional money be allocated from the Educational Revenue
8 Augmentation Fund to a school district or county office of
9 education upon that district or county office of education
10 becoming an excess tax school entity. If, after determining the
11 amount to be allocated to each school district and county office
12 of education, the county superintendent of schools determines
13 there are still additional funds to be allocated, the county
14 superintendent of schools shall determine the remainder to be
15 allocated in inverse proportion to the amounts of property tax
16 revenue, excluding Educational Revenue Augmentation Fund
17 moneys, per average daily attendance in each remaining school
18 district, and on the basis of the historical split described above
19 for each county office of education that is not an excess tax
20 school entity, until all funds that would not result in a school
21 district or county office of education becoming an excess tax
22 school entity are allocated. The county superintendent of schools
23 may determine the amounts to be allocated between each school
24 district and county office of education to ensure that all funds
25 that would not result in a school district or county office of
26 education becoming an excess tax school entity are allocated.

27 (3) The county auditor shall, based on information provided by
28 the Chancellor of the California Community Colleges pursuant to
29 this paragraph, allocate that proportion of the revenue in the
30 Educational Revenue Augmentation Fund to be allocated to
31 community college districts only to those community college
32 districts within the county that are not excess tax school entities,
33 as defined in subdivision (n) of Section 95. The chancellor shall
34 determine the amount to be allocated to each community college
35 district in inverse proportion to the amounts of property tax
36 revenue per funded full-time equivalent student in each
37 community college district. In no event shall any additional
38 money be allocated from the Educational Revenue Augmentation
39 Fund to a community college district upon that district becoming
40 an excess tax school entity.

1 (4) (A) If, after making the allocation required pursuant to
2 paragraph (2), the auditor determines that there are still
3 additional funds to be allocated, the auditor shall allocate those
4 excess funds pursuant to paragraph (3). If, after making the
5 allocation pursuant to paragraph (3), the auditor determines that
6 there are still additional funds to be allocated, the auditor shall
7 allocate those excess funds pursuant to paragraph (2). If, after
8 determining the amount to be allocated to each community
9 college district, the Chancellor of the California Community
10 Colleges determines that there are still additional funds to be
11 allocated, the Chancellor of the California Community Colleges
12 shall determine the remainder to be allocated to each community
13 college district in inverse proportion to the amounts of property
14 tax revenue, excluding Educational Revenue Augmentation Fund
15 moneys, per funded full-time equivalent student in each
16 remaining community college district that is not an excess tax
17 school entity until all funds that would not result in a community
18 college district becoming an excess tax school entity are
19 allocated.

20 (B) (i) For the 1995–96 fiscal year and each fiscal year
21 thereafter, if, after making the allocations pursuant to paragraphs
22 (2) and (3) and subparagraph (A), the auditor determines that
23 there are still additional funds to be allocated, the auditor shall,
24 subject to clauses (ii) and (iii), allocate those excess funds to the
25 county superintendent of schools. Funds allocated pursuant to
26 this clause shall be counted as property tax revenues for special
27 education programs in augmentation of the amount calculated
28 pursuant to Section 2572 of the Education Code, to the extent
29 that those property tax revenues offset state aid for county offices
30 of education and school districts within the county pursuant to
31 subdivision (c) of Section 56836.08 of the Education Code, *but*
32 *not including state aid made pursuant to Sections 56836.16 to*
33 *56836.18, inclusive, of the Education Code.* If, for the 2000–01
34 fiscal year or any fiscal year thereafter, any additional revenues
35 remain after the implementation of this clause, the auditor shall
36 allocate those remaining revenues among the county, cities, and
37 special districts in proportion to the amounts of ad valorem
38 property tax revenue otherwise required to be shifted from those
39 local agencies to the county’s Educational Revenue
40 Augmentation Fund for the relevant fiscal year.

(ii) For the 1995–96 fiscal year only, clause (i) shall have no application to the County of Mono and the amount allocated pursuant to clause (i) in the County of Marin shall not exceed five million dollars (\$5,000,000).

(iii) For the 1996–97 fiscal year only, the total amount of funds allocated by the auditor pursuant to clause (i) and clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.2 shall not exceed that portion of two million five hundred thousand dollars (\$2,500,000) that corresponds to the county’s proportionate share of all moneys allocated pursuant to clause (i) and clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.2 for the 1995–96 fiscal year. Upon the request of the auditor, the Department of Finance shall provide to the auditor all information in the department’s possession that is necessary for the auditor to comply with this clause.

(iv) Notwithstanding clause (i) of this subparagraph, for the 1999–2000 fiscal year only, if, after making the allocations pursuant to paragraphs (2) and (3) and subparagraph (A), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate the funds to the county, cities, and special districts in proportion to the amounts of ad valorem property tax revenue otherwise required to be shifted from those local agencies to the county’s Educational Revenue Augmentation Fund for the relevant fiscal year. The amount allocated pursuant to this clause shall not exceed eight million two hundred thirty-nine thousand dollars (\$8,239,000), as appropriated in Item 6110-250-0001 of Section 2.00 of the Budget Act of 1999 (Chapter 50, Statutes of 1999).

(C) For purposes of allocating the Educational Revenue Augmentation Fund for the 1996–97 fiscal year, the auditor shall, after making the allocations for special education programs, if any, required by subparagraph (B), allocate all remaining funds among the county, cities, and special districts in proportion to the amounts of ad valorem property tax revenue otherwise required to be shifted from those local agencies to the county’s Educational Revenue Augmentation Fund for the relevant fiscal year. For purposes of ad valorem property tax revenue allocations for the 1997–98 fiscal year and each fiscal year thereafter, no amount of ad valorem property tax revenue

1 allocated to the county, a city, or a special district pursuant to this
2 subparagraph shall be deemed to be an amount of ad valorem
3 property tax revenue allocated to that local agency in the prior
4 fiscal year.

5 (5) For purposes of allocations made pursuant to Section 96.1
6 for the 1994–95 fiscal year, the amounts allocated from the
7 Educational Revenue Augmentation Fund pursuant to this
8 subdivision, other than those amounts deposited in the
9 Educational Revenue Augmentation Fund pursuant to any
10 provision of the Health and Safety Code, shall be deemed
11 property tax revenue allocated to the Educational Revenue
12 Augmentation Fund in the prior fiscal year.

13 *SEC. 3. The Legislature finds and declares that the*
14 *amendments made by this act to Sections 97.2 and 97.3 of the*
15 *Revenue and Taxation Code are a clarification of, and not a*
16 *change to, existing law.*

17 *SEC. 4. (a) (1) (A) Notwithstanding any other provision of*
18 *law, for the 2005-06 fiscal year in the County of Marin, those*
19 *revenues that are not allocated to county superintendents of*
20 *schools as a result of the amendments made to Sections 97.2 and*
21 *97.3 of the Revenue and Taxation Code by this act shall be*
22 *allocated among the county, cities, and special districts in that*
23 *county in proportion to the amounts of ad valorem property tax*
24 *revenue otherwise required to be shifted from those local*
25 *agencies to the county's Educational Revenue Augmentation*
26 *Fund for the 2005-06 fiscal year.*

27 *(B) The Controller shall determine the allocations required by*
28 *subparagraph (A) and shall notify the auditor of the County of*
29 *Marin of these allocations on or before June 30, 2006.*

30 *(2) (A) For each qualified fiscal year, the County of Marin*
31 *shall expend an amount equal to one-half of the amount*
32 *allocated to that county under paragraph (1) for the 2005-06*
33 *fiscal year, less any amount retained by the county under Section*
34 *95.3 for the allocations made under that paragraph, for the*
35 *construction and maintenance of housing, as may otherwise be*
36 *provided for in law, for persons and families of low and*
37 *moderate income.*

38 *(B) For purposes of this paragraph, "qualified fiscal year"*
39 *means a fiscal year beginning on or after July 1, 2005, in which*
40 *the Board of Supervisors of the County of Marin identifies in that*

1 county's annual budget a matching source of financing,
2 excluding amounts received under this section, that equals the
3 amount required to be expended under subparagraph (A).

4 (3) For the 2006-07 fiscal year and each fiscal year thereafter,
5 the amounts determined under subdivision (a) of Section 96.1, or
6 any successor to that provision, shall reflect, for a preceding
7 fiscal year, the property tax revenue allocations required by this
8 section, excluding any amount retained by the County of Marin
9 under Section 95.3.

10 (b) The Legislature finds and declares that a special law is
11 necessary and that a general law cannot be made applicable
12 within the meaning of Section 16 of Article IV of the California
13 Constitution because of the unique fiscal pressures being
14 experienced by the County of Marin in providing essential
15 services.

16 SEC. 5. No reimbursement is required by this act pursuant to
17 Section 6 of Article XIII B of the California Constitution for
18 certain costs that may be incurred by a local agency or school
19 district because, in that regard, this act provides for offsetting
20 savings to local agencies or school districts that result in no net
21 costs to the local agencies or school districts, within the meaning
22 of Section 17556 of the Government Code.

23 However, if the Commission on State Mandates determines that
24 this act contains other costs mandated by the state,
25 reimbursement to local agencies and school districts for those
26 costs shall be made pursuant to Part 7 (commencing with Section
27 17500) of Division 4 of Title 2 of the Government Code.

28 ~~SECTION 1. A school district offering grades 9 to 12,~~
29 ~~inclusive, shall file a written report with the Legislature by~~
30 ~~January 1, 2007, as to whether the district discontinued any~~
31 ~~career technical education courses or closed any career technical~~
32 ~~education facilities during the 2002-03 or 2003-04 school years.~~

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**All matter omitted in this version of the bill
appears in the bill as amended in the
Senate, May 31, 2005 (JR11)**

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